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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
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10/26/2001

Ray Berg

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08/21/2009

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EXAMINER

PORTER, RACHEL L

ART UNIT

PAPER NUMBER

3626

NOTIFICATION DATE

DELIVERY MODE

08/21/2009

ELECTRONIC

**Please find below and/or attached an Office communication concerning this application or proceeding.**

The time period for reply, if any, is set in the attached communication.

Notice of the Office communication was sent electronically on above-indicated "Notification Date" to the following e-mail address(es):

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<b>Office Action Summary</b>	<b>Application No.</b> 10/040,911	<b>Applicant(s)</b> BERG ET AL.	
	<b>Examiner</b> RACHEL L. PORTER	<b>Art Unit</b> 3626	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

### Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

### Status

- 1) ☒ Responsive to communication(s) filed on 5/26/09.
- 2a) ☐ This action is **FINAL**.                      2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

### Disposition of Claims

- 4) ☒ Claim(s) 1-12 and 41-45 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-12 and 41-45 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

### Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

### Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All    b) ☐ Some \*    c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
  - ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

### Attachment(s)

- |  |   |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892)          | 4) <input type="checkbox"/> Interview Summary (PTO-413)           |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | Paper No(s)/Mail Date. _____                                      |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08)          | 5) <input type="checkbox"/> Notice of Informal Patent Application |
| Paper No(s)/Mail Date _____  | 6) <input type="checkbox"/> Other: _____                          |

## **DETAILED ACTION**

### ***Notice to Applicant***

1. This communication is in response to the amendment filed 5/18/09. Claims 1-12 and 41-45 are pending. Claims 13-40 have been cancelled.

### ***Claim Rejections - 35 USC § 112***

2. The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

3. Claims 1-12 and 41-15 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

Claim 1 currently recites “the predetermined monetary premium calculated using a central processing computer and based upon risk assessment information accessed through the central processing computer relating to losses associated with the misidentification or misrepresentation of the trading counterpart's identity.”

It is unclear whether a premium calculation step lies within the metes and bounds of Applicant's invention, as the step is not positively and actively recited in the method. In other words, the current method recites steps of “supplying, by an insurer, the insurance policy...”; “receiving said premium by said insurer...;” and “paying by said insurer...benefits of said insurance policy...” As it is currently recited, the description of how the premium is calculated, does not impact how the method is carried out, and is non-functional.

A similar analysis may be applied to claim 9, and therefore it is also rejected.

Furthermore, the preamble of claim 1 currently recites: “method for providing assurance to a user of the identity of a trading counterpart in an online marketplace transaction via an insurance policy...” However, the current method recites providing an insurance policy, receiving premiums and paying out benefits. The method does not recite any verification or authentication of the trading partner's or counterpart's identity. Therefore, it is unclear how the recited method provides assurance to a user of the identity of a trading counterpart in an online marketplace transaction (via an insurance policy).

Claims 2-8 and 41-15 inherit the deficiencies of claim 1 through dependency and are therefore also rejected.

Claims 10-12 inherit the deficiencies of claim 9 through dependency and are therefore also rejected.

### ***Claim Rejections - 35 USC § 101***

4. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

Claims 1-12 and 41-15 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

Based on Supreme Court precedent and recent Federal Circuit decisions, the Office's guidance to examiners is that a §101 process must (1) be tied to a particular machine or apparatus or (2) transform underlying subject matter (such as an article or

materials) to a different state or thing. *Diamond v. Diehr*, 450 U.S. 175, 184 (1981); *Parker v. Flook*, 437 U.S. 584, 588 n.9 (1978); *Gottschalk v. Benson*, 409 U.S. 63, 70 (1972); *Cochrane v. Deener*, 94 U.S. 780, 787-88 (1876). If neither of these requirements is met by the claim, the method is not a patent eligible process under §101 and should be rejected as being directed to nonstatutory subject matter.

There are two corollaries to the machine-or-transformation test. First, a mere field-of-use limitation is generally insufficient to render an otherwise ineligible method claim patent- eligible. This means the machine or transformation must impose meaningful limits on the method claim's scope to pass the test. Second, insignificant extra-solution activity will not transform an unpatentable principle into a patentable process. This means reciting a specific machine or a particular transformation of a specific article in an insignificant step, such a data gathering or outputting, is not sufficient to pass the test.

Regarding claims 1 and 9, the premium calculation and the use of “the central processing computer” in the calculation of the premium is not positively and actively recited in the method. Also, as it is currently recited, the description of how the premium is calculated, does not impact how the method is carried out. Therefore, claims 1 and 9 are rejected as being non-statutory.

Claims 1-8, and 41-15, 10-12 contain similar deficiencies and fail to correct the deficiencies of claims 1 and 9, and are therefore also rejected.

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***Claim Rejections - 35 USC § 102***

5. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(e) the invention was described in (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effects for purposes of this subsection of an application filed in the United States only if the international application designated the United States and was published under Article 21(2) of such treaty in the English language.

6. Claims 1-12 are rejected under 35 U.S.C. 102(e) as being anticipated by Pillay et al (US 2002/0042763 A1—hereinafter Pillay). The applied reference has a common assignee with the instant application. Based upon the earlier effective U.S. filing date of the reference, it constitutes prior art under 35 U.S.C.102(e). This rejection under 35 U.S.C. 102(e) might be overcome either by a showing under 37 CFR 1.132 that any invention disclosed but not claimed in the reference was derived from the inventor of this application and is thus not the invention “by another,” or by an appropriate showing under 37 CFR 1.131.

[claim 1] Pillay method for providing assurance to a user of the identity of a trading counterpart in an online marketplace transaction via an insurance policy, the method comprising the steps of:

- supplying, by an insurer, the insurance policy to said user, said insurance policy includes a predetermined monetary premium payable to said insurer; (par 79-80)
- receiving said premium by said insurer from said user; and (par. 100)

- paying by said insurer, in accordance with terms of said insurance policy, benefits of said insurance policy for a loss caused by (par. 26) the misidentified or misrepresented identity of said trading counterpart, to said user between a policy inception date and a policy termination date. (par. 84-85, 112—Examiner interprets inability to pay as a misrepresentation of a customer/trading counterpart)

As per the recitation of “the predetermined monetary premium calculated using a central processing computer and based upon risk assessment information accessed through the central processing computer relating to losses associated with the misidentification or misrepresentation of the trading counterpart's identity,” these limitations are nonfunctional description material and are not functionally involved in the steps recited. The steps recited in claim 1 would be performed the same regardless of the data contents noted material (see the 112, 2nd par. rejection of claim 1. ) Thus, this descriptive material will not distinguish the claimed invention from the prior art in terms of patentability. See *In re Gulack*, 703 F.2d 1381, 1385, 217 USPQ 401, 404 (Fed. Cir. 1983); *In re Lowry*, 32 F.3d 1579, 32 USPQ2d 1031 (Fed. Cir. 1994).

[claim 2] Pillay discloses the method of claim 1, wherein said premium is calculated by assessing at least one of a credit score of said trading counterpart, an amount and type of said trading counterpart's previous said transactions, a monetary amount and type of said transaction, the nature of goods involved in said transaction, and the nature of services involved in said transaction or any combination thereof (par. 58-59, 70, 81)

[claim 3] Pillay discloses the method of claim 1, wherein said premium is calculated by assessing information comprising a credit score of said trading counterpart, an amount and type of said trading counterpart's previous said transactions, a monetary amount and type of said transaction, the nature of goods involved in said transaction, and the nature of services involved in said transaction. (par. 58-59, 70,78 81-82)

[claim 4] Pillay discloses the method of claim 1, wherein said premium is calculated by assessing a credit score of said trading counterpart, wherein said credit score is calculated by analyzing at least one of the nature of said trading counterpart's business, profitability of said trading counterpart, indebtedness of said trading counterpart and payment history of said trading counterpart in previous said transactions or any combination thereof (par. 58-59, 64 (credit quote and credit ratings provided), 70, 78,88-89)

[claim 5] Pillay discloses the method of claim 1 further comprising:

- supplying, by the insurer, an additional insurance policy to said user, said insurance for providing assurance to a user of the financial ability of a trading counterpart to enter into an online marketplace transaction, said additional insurance policy includes a predetermined monetary premium payable to said insurer; (par 112-114)
- receiving said second premium by said insurer from said user; and (par. 100)



- paying by said insurer, in accordance with terms of said insurance policy, benefits of said second insurance policy resulting from the financial inability of a trading counterpart to enter and complete said transaction, to said user between a second policy inception date and a second policy termination date. (par. 84-85,112— Examiner interprets inability to pay as a misrepresentation of a customer/trading counterpart)

[claim 6] Pillay discloses the method of claim 5, wherein said second premium is calculated by assessing at least one of a credit score of said trading counterpart, an amount and type of said trading counterpart's previous said transactions, a monetary amount and type of said transaction, the nature of goods involved in said transaction, and the nature of services involved in said transaction. (par. 58-59, 70, 81112-114)

[claim 7] Pillay discloses method of claim 5, wherein said premium is calculated by assessing information comprising a credit score of said trading counterpart, an amount and type of said trading counterpart's previous said transactions, a monetary amount and type of said transaction, the nature of goods involved in said transaction, and the nature of services involved in said transaction. (par. 58-59, 70,78 81-82)

[claim 8] Pillay discloses the method of claim 5, wherein said premium is calculated by assessing a credit score of said trading counterpart, wherein said credit score is calculated by analyzing at least one of the nature of said trading counterpart's business,

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profitability of said trading counterpart, indebtedness of said trading counterpart and payment history of said trading counterpart in previous said transactions or any combination thereof. (par. 58-59, 64 (credit quote and credit ratings provided), 70, 78,88-89)

[claim 9] Pillay discloses a method for providing assurance to a user for the financial ability of a trading counterpart to enter into an online marketplace transaction and for the identity of a trading counterpart in said transaction via an insurance policy, the method comprising the steps of

- supplying, by an insurer, an insurance policy to a user, the insurance policy including a predetermined monetary premium payable to said insurer for providing assurance to the user of the identity of a trading counterpart in an online marketplace transaction and of the financial ability of the trading counterpart to enter into the transaction; (par 79-80; 88-89)
- receiving said premium by said insurer from said user; and (par. 100)
- paying by said insurer, in accordance with terms of said insurance policy, benefits of said insurance policy resulting from at least one of the financial inability of a trading counterpart to enter and complete said transaction and the misidentified or misrepresented identity of said trading counterpart, to said user between a policy inception date and a policy termination date. (par. 84-85,112—Examiner interprets inability to pay as a misrepresentation of a customer/trading counterpart)

As per the recitation of “the predetermined monetary premium calculated using a

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central processing computer and based upon risk assessment information accessed through the central processing computer," these limitations are nonfunctional description material and are not functionally involved in the steps recited. The steps recited in claim 9 would be performed the same regardless of the data contents noted material (see the 112, 2nd par. rejection of claim 9 ). Thus, this descriptive material will not distinguish the claimed invention from the prior art in terms of patentability. See *In re Gulack*, 703 F.2d 1381, 1385, 217 USPQ 401, 404 (Fed. Cir. 1983); *In re Lowry*, 32F.3d 1579, 32 USPQ2d 1031 (Fed. Cir. 1994).

[claim 10] Pillay discloses the method of claim 9, wherein said premium is calculated by assessing at least one of a credit score of said trading counterpart, an amount and type of said trading counterpart's previous said transactions, a monetary amount and type of said transaction, the nature of goods involved in said transaction, and the nature of services involved in said transaction or any combination thereof. (par. 58-59, 70, 81)

[claim 11] Pillay discloses the method of claim 9, wherein said premium is calculated by assessing information comprising a credit score of said trading counterpart, an amount and type of said trading counterpart's previous said transactions, a monetary amount and type of said transaction, the nature of goods involved in said transaction, and the nature of services involved in said transaction. (par. 58-59, 70, 78 81-82)

[claim 12] Pillay disclose the method of claim 9, wherein said premium is calculated by assessing a credit score of said trading counterpart, wherein said credit score is calculated by analyzing at least one of the nature of said trading counterpart's business, profitability of said trading counterpart, indebtedness of said trading counterpart and payment history of said trading counterpart in previous said transactions or any combination thereof. (par. 58-59, 64 (credit quote and credit ratings provided), 70, 78,88-89)

[claims 41-45] As per the limitations of newly added claims 41-45 see Pillay page 6, par. 88-89.

### ***Response to Arguments***

7. Applicant's arguments submitted 5/18/09 have been considered but are not persuasive.

(A) Applicant argues that the Pillay reference does not relate to applicant's invention. In particular, applicant argues that the reference does not disclose paying by the insurer, benefits resulting from the misidentification of a trading counterparty.

In response, the Examiner respectfully disagrees with Applicant's narrow interpretation of the Pillay reference. Pillay discloses a system and method the trade credit insurance of a customer or trading counterpart. (par. 2) The system and method is for the underwriting, generation, delivery and claims processing of or for trade credit insurance policies. (par. 28,48) Pillay further discloses the process by which claims submission and payment to the insured takes place. (par. 100, 112, Figures 6A-B)

The current claim language states that payment results from a misidentified or misrepresented identity of a trading counterparty.

Applicant argues that the inability to pay for or complete a financial transaction is always separate from “misidentity or misrepresentation.” However, the Examiner respectfully disagrees. It is respectfully submitted that party/entity has misrepresented or misidentified itself and its resources (or has been misrepresented/misidentified) when it receives services or goods with an obligation to pay for said goods and services (i.e. the extension of credit), then fails to do so. Applicant’s current claim language does not preclude this situation. Therefore, the prior art anticipates the claimed invention.

### ***Conclusion***

8. The prior art made of record and not relied upon is considered pertinent to applicant's disclosure:

- Nighan (US 2008/0126136 A1) discloses a system and method for insuring against losses in connection with an online transaction.
- Anonymous, “Travelers Property Casualty Provides Consumers with First Insurance Protection Against Identity Fraud Expenses.”

Any inquiry concerning this communication or earlier communications from the examiner should be directed to RACHEL L. PORTER whose telephone number is (571)272-6775. The examiner can normally be reached on M-F, 9:30-6:00.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, (Christopher) Luke Gilligan can be reached on (571) 272-6770. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

/R. L. P./  
Examiner, Art Unit 3626

/Robert Morgan/  
Primary Examiner, Art Unit 3626